

**GOVERNMENT OF TELANGANA**  
**ABSTRACT**

Irrigation & CAD Department – Telangana State Water Resources Infrastructure Development Corporation Limited – Borrowing Term Loan of Rs.10,001.61 Crs from Rural Electrification Corporation Ltd towards construction of pumphouses, surgepools, Electro mechanical & Hydro mechanical components, Substations and transmission lines for the implementation of Sita Rama Lift irrigation Project (SRLIP), J.C.R Devadula Lift Irrigation Scheme(JCRDLIS) - Kanthanapally Project and Indiramma Flood Flow Canal project (IFFC) - Permission accorded – Orders issued.

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**IRRIGATION AND CAD (Projects-III) DEPARTMENT**

**G.O.Rt.No.1037**

**Dated:21-08-2018**  
**Read the following:-**

1. G.O.Ms.No.20, I&CAD (Projects-III) Dept., Dt.31-03-2018.
2. From the Managing Director, TSWRIDCL, Hyderabad, Lr.No.MD/TSWRIDCL/HYD/SPC/8/2018.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, the Managing Director, Telangana State Water Resources Infrastructure Development Corporation Limited has stated that the Government, have constituted a Special Purpose Vehicle (SPV) in the name of Telangana State Water Resources Infrastructure Development Corporation Limited to plan, appraise, evaluate, manage , envisage for effective utilization of Godavari Water by way of construction of dams, tunnels, canals, lift systems, reservoirs for its various projects including Sita Rama Lift irrigation Project (SRLIP), J.C.RDevadula Lift Irrigation Scheme (JCRDLIS), Kanthanapally Project, Flood Flow Canal (FFC) Projects.

2. The Rural Electrification Corporation Ltd., has sanctioned loan for total amount of Rs.10,001.61 Crores towards construction of Pumphouses, Surge pools, Electro-Mechanical , Sub-stations and Transmission lines and associated civil works for Sita Rama Lift irrigation Project (SRLIP), J.C.R Devadula Lift Irrigation Scheme (JCRDLIS)- Kanthanapally Project, Indiramma Flood Flow Canal(IFFC) projects. The Rural Electrification Corporation Ltd., while enclosing terms and conditions have requested the Managing Director, TSWRID Corporation Ltd., to give acceptance for the terms and conditions set out.

S.No	Project/scheme	Loan Amount (in Rs. Crores)
1.	Indiramma Flood Flow Canal	1624.58
2.	J.Chokka Rao – Devadula Lift Irrigation Project	1241.57
3.	P.V.Narasimha Rao Kanthanapally Srujala Sravanthi Scheme at Tupakulagudem	2121
4.	Sitarama Lift Irrigation Project	2376.46
5.	Already executed E&Morks under Devadula and other works	2638.00
	Total	10001.61

3. Based on the request of the Rural Electrification Corporation Ltd., the Managing Director, TSWRIDCL, Hyderabad has requested the Govt., to provide concurrence/approval for the terms and conditions of loan sanctioned for the above and to issue necessary orders on the required documents to be provided by the Govt., in order to execute the loan agreement with the Rural Electrification Corporation Ltd.,

**P.T.O.**

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4. Government after careful consideration of the matter, hereby accord concurrence/ approval for the terms and conditions of loan sanctioned (Annexure) in order to execute the loan agreement with the Rural Electrification Corporation Ltd., and to permit the Managing Director, TSWRIDCL to borrow the loan amount of Rs.10,001.61 Crs (Rupees Ten Thousand One Crore and Sixty one Lakh only) from Rural Electrification Corporation Ltd.,

5. The Managing Director, TSWRIDCL shall pay guarantee commission at 2% consolidated for the entire guarantee as the Guarantee Commission cannot be exempted as per RBI guidelines. The Managing Director, TSWRIDCL shall remit the amount to Government to the following Head of account:"0070 Other Administrative Services – 60 Other Services – MH 800 Other Receipts – SH 08 Commission for guarantee given by Government".

6. The Managing Director, TSWRIDCL shall take necessary action, accordingly.

7. This order issues with the concurrence of Finance (DCM) Department vide their U.O.No.5780/103/A1/2018, Dt.07-08-2018.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**Dr. SHAILENDRA KUMAR JOSHI  
CHIEF SECRETARY TO GOVERNMENT &  
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)**

To  
The Managing Director, TSWRIDCL, Hyderabad.  
The Engineer-in-Chief (Irrigation), Hyderabad  
The Accountant General, Hyderabad.  
The Director of Treasuries and Accounts, Hyderabad.

**Copy to:**

The PS to Chief Secretary  
The PS to Secretary to Hon'ble CM.  
The PS to Minister(Irrigation)  
The PS to Spl. Chief Secretary to Government, I&CAD Dept.  
The Chief Engineer, JCRDLIS, Warangal  
The Chief Engineer, Kanthanapally, Warangal  
The Rural Electrification Corporation Ltd.,  
The Finance (DCM) Department.  
The General Administration (Cabinet) Department.

**// FORWARDED : : BY ORDER //**

**SECTION OFFICER**

**(Contd.. To ANNEXURE)**

## **ANNEXURE**

### **Terms & Conditions**

#### **1. Security:**

The loan shall be guaranteed fully, unconditionally & irrevocably by the guarantee of Govt. of Telangana for the 100% loan amount. The Government Guarantee shall be provided to the Corporation within three months from the date of first disbursement of the loan.

If security is not created within 3 months of first disbursement, additional interest for non creation of security shall be charged from the date of first disbursement as per REC policy.

The Borrower shall undertake that if, at any time during the subsistence of this Agreement, the Corporation is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loans then outstanding, the Borrower shall provide and furnish to the Corporation additional security as may be acceptable to the Corporation to cover such deficiency,

#### **2. Rate of Interest:**

- a. Interest Rate applicable for the project shall be intimated separately.
- b. The Interest shall be payable by the borrower on monthly basis. The 1st 'Interest Due Date' shall be the last day of the month in which the first disbursement is made and all subsequent 'Interest Due Dates' shall be the last day of every month till the full Loan amount along with all other dues are paid back to REC. There will not be any moratorium for payment of interest. All interest and their cost, charges, expenses shall accrue on daily basis and be calculated on the basis of actual number of days elapsed and an year of 365 days.
- c. Notwithstanding anything stated hereinbefore, it will be open to REC to periodically reduce or enhance the rate of interest in respect of loan instalments not disbursed up to the date of such revision. The revision in the rate of interest shall take effect from such date as may be notified by REC.

#### **3. Loan period:**

Repayment shall be 12 years (48 equal quarterly instalments). The first repayment shall start after project completion period of 3 years plus 6 months' moratorium. Interest shall be serviced on monthly basis with no moratorium period.

#### **4. Mode of repayment:**

The entire loan shall be repaid by the Borrower in 48 equal quarterly instalments and the 1st 'Loan Repayment Due Date' shall be last day of the last month of the calendar quarter in which the moratorium period expires and all subsequent 'Loan Repayment Due Dates' shall be last day of each following calendar quarter till the entire loan amount along with interest & all other dues are repaid to REC in full.

5. The sanction shall be valid for a period of six months from the date of sanction letter. However, REC can extend the validity period on the request of the borrower after being satisfied of the reasons of delay furnished by the Borrower.

6. TSWRIDCL shall clear the over dues, if any, to REC before start of disbursement.

7. TSWRIDCL shall give an undertaking to the effect that the loan obtained from REC will be utilized exclusively for the purpose for which it is released and will also have to take necessary steps to ensure such utilization.

8. The borrower shall, before the disbursement of loan, shall furnish a quarterly drawl schedule in the prescribed form.

#### **9. Miscellaneous Conditions:**

- a. TSWRIDCL shall execute such Agreements and Documents as are prescribed for the purpose by REC.

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- b. TSWRIDCL shall furnish a resolution passed by its Board to borrow from REC a Loan of Rs. 10,001.61 Cr. as per the terms and conditions prescribed by REC.
- c. The amount of loan shall be released in tranches on execution of documents and complying with all terms and conditions specified for the loan.
- d. A Memorandum of Agreement (MOA) i.e. Loan Agreement and other documents in the prescribed format shall be executed between the Borrower and REC before release of loan amount by REC.
- e. The amount due (both interest payment as well as principal repayment) shall be paid by way of Demand Draft/ remittance in REC account at New Delhi under advice to this office. Remittance of each installment of interest and principal repayment shall be so paid to enable its credit in REC Account on due date. Bank charges/ collection charges and other expenses shall be fully borne by TSWRIDCL. If due date is a bank holiday at the recipient branch, the borrower has to remit the amount on the following working day. Any payment(s) received before the due date shall be deemed to have been received on the due date only.
- f. The loans shall also be subject to further terms & conditions as incorporated in the format of Memorandum of Agreement/Other documents to be executed by TSWRIDCL.
- g. REC shall be fully empowered not to disburse any further loan, if it is found to its satisfaction that the loan or the loans already disbursed have not been properly utilized or obligation and commitment to REC in terms of provisions of the agreement are not fully met.
- h. In the event of any installment of interest or of the principal, not being paid to REC by TSWRIDCL on the due dates, TSWRIDCL shall pay to REC a penal rate of compound interest (which is presently 2% p.a.) at the applicable rates as per REC circulars, over and above and in addition to the rate of interest stated herein above.
- i. TSWRIDCL shall also furnish to REC such reports on its working either in general or in specific relation to the sanction of this loan by REC in the manner prescribed by REC from time to time.
- j. Borrower shall comply with any other condition that may be stipulated by REC to ensure and get satisfied that the loan amount granted is utilized only for the purpose for which it is intended. It will be open to REC to depute its officers and other staff for inspection of matters relating to this loan and its purpose and the inspection staff shall have access to such books, records and stores of the TSWRIDCL as may be deemed necessary by the inspection staff.
- k. REC also reserves its right to adjust/appropriate from any remittances made by the Borrower for the following dues under this loan as well as under any other Loan availed by the Borrower in the following order unless otherwise agreed:
  - i. All costs, charges, expenses, losses, applicable taxes, statutory duties and TDS and other moneys being due from the Borrower;
  - ii. Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and TDS and other moneys. If any;
  - iii. Penal and/or Additional Interest including interest tax, if any;
  - iv. Any overdue Interest including interest tax, if any;
  - v. Any due Interest including interest tax, if any;
  - vi. Repayment of Principal falling due; and surplus remaining out of above, if any, shall be retained as an advance receipt of next falling due Interest and/or Principal instalment.

- l. Any prepayment of the Loan by the Borrower shall not be permitted except with the prior consent of REC and on such terms and conditions as may be decided by REC including payment of premium as per the policy of REC as may be applicable from time to time.
- m. Notwithstanding anything stated above, REC reserves the right to cancel the commitments i.e. sanction loan amount or stand by facilities and credit lines, either fully or partially, unconditionally without prior notice at anytime or stipulate any condition as deemed fit.
- n. The Borrower shall not raise borrowings from any other sources for meeting the cost of equipment/materials/works financed through this loan.
- o. The Borrower shall take all necessary steps to ensure that the project is completed within 3 years from the date of first disbursement or such other date as may be agreed to by the Corporation.
- p. The Borrower shall furnish periodic progress reports from time to time.
- q. SALE/TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER
  - i) The Borrower must be and continue to be the owner and in physical possession of the project at the time of execution of Memorandum of Agreement, disbursement of each instalment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
  - ii) The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. In case at any stage or on a future date, the project is proposed to be transferred to any other organization or to be abandoned, the borrower shall seek prior consent of the Corporation before any such transfer is affected and in such case, the Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.
- r. RIGHT TO ASSIGN / TRANSFER THE LOAN TO OTHER FIS, BANKS & ARCS

During the currency of the loan, REC shall have the right to assign all or any of its obligations or transfer the loan to any other Financial Institution(s), Bank(s), Asset Reconstruction Company(ies) Without the consent of the borrower.
- s. The borrower shall during the currency of loans bear all such imposts, duties and taxes or any other charges as may be levied from time to time by the Government or other authority.
- t. The Borrower shall be bound to follow and give effect to all instructions/recommendations of the Corporation.
- u. The Borrowers shall give an undertaking that any change in its pattern of ownership including shareholding of government shall be subject to prior written approval of REC. Under such cases REC reserves the right to take necessary measures for safeguarding the interest of REC and to stipulate additional conditions including but not restricted to rate of interest, additional security, collateral etc.

## **SPECIAL TERMS AND CONDITIONS**

### **Pre-commitment Conditions:**

- a) TSWRIDCL shall undertake to seek approval from CWC for the scheme if required.
- b) TSWRIDCL shall undertake that it will not make any investment in scheme(s) where approval has been denied by CWC.
- c) TSWRIDCL shall submit an undertaking that it shall acquire/obtain and maintain valid possession of land required for the scheme covered under the project throughout the tenor of REC loan.

- d) TSWRIDCL shall submit an undertaking that it shall obtain all statutory and non-statutory clearances/ approvals as required during implementation and operational phases of the proposed project and to comply with the conditions specified therein.
- e) TSWRIDCL shall undertake that there is no duplication /overlapping of works with any other scheme for which funding has been sought from REC/ other banks and FIs.
- f) TSWRIDCL shall undertake to arrange debt from Banks and FIs or budgetary support from Govt. of Telangana for the balance funds required for completion of the project/scheme.

**Other Conditions:**

- a) For scheme(s) where clearances/approvals are yet to be obtained, the disbursement shall be limited to 60% to the loan amount against that scheme till the obtaining of all the necessary clearances and approvals required for the implementation of the scheme.
- b) TSWRIDCL shall submit the audited annual accounts for FY 2018-19 by 30th June 2019.
- c) Reimbursement of expenditure incurred in works covered under the subject project(s)/ scheme(s) shall be permissible.

**Dr. SHAILENDRA KUMAR JOSHI  
CHIEF SECRETARY TO GOVERNMENT &  
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)**

**SECTION OFFICER**